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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/923,536	08/08/2001	Ikuo Sakaguchi	Q65782	2109

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SUGHRUE, MION, ZINN, MACPEAK & SEAS  
2100 Pennsylvania Avenue, N.W.  
Washington, DC 20037

EXAMINER

LABAZE, EDWYN

ART UNIT PAPER NUMBER

2876

DATE MAILED: 11/25/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

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<b>Office Action Summary</b>	<b>Application No.</b> 09/923,536	<b>Applicant(s)</b> SAKAGUCHI, IKUO	
	<b>Examiner</b> EDWYN LABAZE	<b>Art Unit</b> 2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 07 August 2003.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☐ Claim(s) 1-13 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-13 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 07 March 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All   b) ☐ Some \* c) ☐ None of:  
1. ☒ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                  | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____  |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)         | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ | 6) <input type="checkbox"/> Other: _____                                    |

**DETAILED ACTION**

1. Receipt is acknowledged of amendments filed on 8/07/2003.
2. Receipt is acknowledged of corrected drawings filed on 3/07/2003.
3. Claims 1-13 are presented for examination.

***Priority***

4. Receipt is acknowledged of papers submitted under 35 U.S.C. 119(a)-(d), which papers have been placed of record in the file.

***Claim Rejections - 35 USC § 112***

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1, 7, and 11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Re claim 1 and 7: The applicant recites the limitation a verification apparatus, which verifies a card only when “a place” in which the reader is located is within “an area” of the card identification code. The term “area” could be broadly interpreted as the planet earth, a country, a state, a city or specific locations. If taken in such a way, the examiner is then considered the claimed invention as a shoppers/department store card verification card system, such as a Wal-Mart, Macy’s, JC Penny and the like, wherein said credit card could only be used at the place where the reader is located and corresponding to the area of the card identification code (issued by the credit card company).

***Claim Rejections - 35 USC § 102***

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claims 1-4, 6-7, and 9-13 are rejected under 35 U.S.C. 102(b) as being anticipated by Joao et al. (U.S. 5,903,830).

Re claims 1, 9, 11: Joao et al. discloses transaction security apparatus and method, which includes a card in which a card identification code [which could be any type of codes, passwords, card numbers issued/generated by the card issuer/company so as to track the use of the card or to identify the cardholder] is registered (col.18, lines 11+); a read unit 2e [a reader which could be slotting/sweeping magnetic, electronic/wireless/non-contact, a contact reader and the like to read the information on the card such as the card number, password/pass code, during transaction] configured to read the card identification code from the card (col.15, lines 20+); and a verification apparatus 3H or processing computer 103 [the verification apparatus could be integrated with the reader or at remote location such as a host computer of a bank/card company to verify the legitimacy of the card and authorize the transactions if pre-selected limitations or restrictions are satisfied] configured [the term configured could be broadly interpreted as a system/apparatus “set-up” to carry/perform a specific/certain operation such as determining the location of the reader or place of the transaction; wherein other operations within the same systems are available or well-known in the art] to verify the card only when a place which the read unit is located within an area corresponding to the card identification code (col.16, lines 13-

34; col.26, lines 1-67), further transmitting over a telecommunication network the identification code area to a verification module, upon request by the verification module (col.14, lines 5+).

Re claims 2, 10, and 12: Joao et al. teaches a system and method, the read unit or point of sale 2 has a read unit identification code (col.13, lines 7-47), and notifies the read unit identification code to the verification apparatus/central processing computer 3, 103, 203 (see figs. # 1, 4, and 7 of Joao et al.), and the verification apparatus has a table [or a database 3H wherein the information related to each issued card is stored and to be compared to the transmitted information obtained from the reader after reading the card at point of sale] which shows a correspondence relation between the read unit identification code and the place, and searches and acquires the place corresponding to the notified read unit identification code from the table/database 3H, 103H, 203H (col.16, lines 4-34; col.24, lines 14+; col.31, lines 49+).

Re claim 3: Joao et al. discloses a system and method, further comprises a mobile phone 202 (col.31, lines 1+), the verification apparatus having another table/database 203H which shows a correspondence relation between the card identification code and the mobile phone (col.31, lines 49+), and the area being coincident with an area for one or more cells to which the mobile phone belongs (col.32, lines 39+; col.34, lines 25+).

Re claim 4: Joao et al. teaches a system and method, further comprising a storage unit RAM 203B, ROM 203C, and database 203H which stores data showing the area corresponding to said mobile phone (see fig. # 8 of Joao et al., col.31, lines 25+), and the verification apparatus 203 acquires the area data from the storage unit (col.31, lines 50+).

Re claims 6 and 13: Joao et al. discloses a system and method, wherein the card is a credit card (col.13, lines 1-64).

Re claim 7: Joao et al. teaches a system and method, which comprises a card in which a card identification code is registered (col.18, lines 11+), a read unit 2e which reads the card identification code from the card (col.15, lines 20+), the card only when a place in which said read unit is located corresponds to the card identification code (col.16, lines 13-34; col.26, lines 1-67), the method comprising: acquiring from the read unit the place of the read unit which read the card; acquiring an area of the card; determining [the central processing computer 3, 103, 203 upon receiving request for authorizing for a transaction at the point-of-sale, which authorization is based upon predefined limits and restrictions applied on the card regarding the geographical area stored in the database 3H] whether or not the place of the read unit is in the area; when the place of the read unit does not belong to the area, prohibiting settlement (col.17, lines 37-67; col.18, lines 1-50).

***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 5 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Joao et al. (U.S. 5,903,830).

The teachings of Joao et al. have been discussed above. Joao et al. further discloses a system and method, wherein the user of a mobile phone may program the apparatus so as to limit the types of services of transactions and service providers to authorize the use of the card

regarding the geographical area or locations within which the card may be utilized (col.42, lines 1-67; col.43, lines 1+).

Joao et al. fails to teach a system wherein a user of the mobile phone deletes the area data from the storage unit by operating the mobile phone, and the verification apparatus does not verify the card when the area data is not stored in the storage unit.

However, since the system is required to authorize the transactions based upon the predefined geographical area or locations of the card, the specific structure of not verifying any data not stored in the storage unit falls is obtained and falls within an engineering design choice.

It would have been obvious to an artisan of ordinary skill in the art at the time the invention was to employ into the teachings of Joao et al. a means of verifying and declining any non-stored data related to a change of area and authorized usage of the card without proper notification to the service provider. Furthermore, such modification would reassure the security of the card and authenticity of the user, prevent falsifying and/or cloning of personal information, and identity thieves. Moreover, such modification would have been an obvious extension a taught by Joao et al., therefore an obvious expedient.

#### ***Response to Arguments***

11. Applicant's arguments with respect to claims 1-13 filed on 8/07/03 have been considered but are moot in view of the new ground(s) of rejection.

#### ***Conclusion***

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Okamoto et al. (U.S. 5,064,999) discloses advance transaction processing method.

Alanara et al. (U.S. 5,266,782) teaches control of a card interface.

McAllister (U.S. 5,655,007) discloses telephone based credit card protection.

Geiselman et al. (U.S. 6,466,780) teaches method and apparatus for securing digital communications.

Suzuki (U.S. 6,612,488) discloses method and system to prevent fraudulent payment in credit/debit card transactions, and terminals therefor.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to EDWYN LABAZE whose telephone number is (703) 305-5437.

The examiner can normally be reached on 7:30 AM - 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on (703) 305-3503. The fax phone number for the organization where this application or proceeding is assigned is (703) 308-7722.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1782.

el  
Edwyn Labaze  
Patent Examiner  
Art Unit 2876  
November 13, 2003



**THIEN M. LE  
PRIMARY EXAMINER**